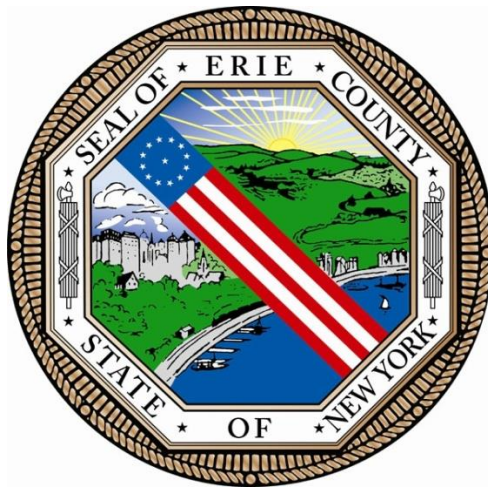


November 2016

**Erie County Department of Senior Services
Performance Audit of
The Congregate Dining Grant
For the Year Ended December 31, 2015**



**STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER**

HON. STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER'S OFFICE
DIVISION OF AUDIT & CONTROL
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202



November 7, 2016

Erie County Legislature
92 Franklin Street 4th Floor
Buffalo, New York 14202

Dear Honorable Members:

The Erie County Comptroller's Office has completed a performance audit of the Congregate Dining Grant administered by the Erie County Department of Senior Services (Senior Services) for the year ended December 31, 2015. Our objectives were to evaluate the nutrition and fitness services provided to the elderly program participants, to determine compliance with regulatory mandates of the grant, to evaluate control over the administration of the grant, and to determine whether the claims for payment were reasonable.

We conducted our audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions. We believe that the evidence obtained provides a reasonable basis for our findings and recommendations based on our audit objectives.

The scope of our audit included the testing of entries on the reimbursement claims for payment, verifying compliance with grant requirements, and evaluating internal controls over the administration of the grant.

Management of Senior Services is responsible for establishing and maintaining a system of internal control. The objective of such a system is to provide reasonable, but not absolute, assurance that transactions are executed in accordance with management's authorization and are recorded properly. Because of inherent limitations in the system of internal control, errors or irregularities may nevertheless occur and not be detected.

In our opinion, internal controls over the administration of the grant and the submission of reimbursement claims for payment are adequate.

Table of Contents

BACKGROUND	4
AUDIT FINDINGS	4
1. Claims for Payment	4
2. Policies and Procedures	5
AUDITOR’S COMMENTS.....	5
1. Monthly Time Studies	5
RESULTS OF THE EXIT CONFERENCE	6
APPENDIX 1 Statement of Revenues and Expenditures	7

BACKGROUND

Senior Services was created in 1971 and designated as an Area Agency on Aging (AAA) under Title III of the Older Americans Act. The primary responsibilities focus on planning, advocacy, and coordination of activities.

The Elderly Nutrition Services Program is maintained by Senior Services to afford the opportunity for older adults to better maintain their health by providing nutritiously balanced meals. The Elderly Nutrition Services Program is the second largest program in the state and serves over one million meals annually. This program provides meals through both Stay Fit Congregate Dining and Home Delivered Meals.

The Stay Fit Congregate Dining Program is funded from the Congregate Dining Nutrition grant. The grant is used to provide a nutritious hot noon day meal at forty-seven strategically-located congregate meal sites throughout the County.

Because the Stay Fit Congregate Dining Program is part of the Department of Senior Services it falls under the jurisdiction of AAA regulations. The AAA regulations place great emphasis on ensuring the meals provided contain adequate nutrition. To ensure this criterion is met, Registered Dietitians test the meals per six week menu increments.

AUDIT FINDINGS

1. Claims for Payment

Reimbursement for grant expenditures is obtained through the periodic submission of claims for payment. Expenditures for budget categories such as salaries, fringes, equipment, travel, maintenance, and subcontracts are claimed on vouchers sent to the New York State Office for the Aging (SOFA).

Our examination of these claims disclosed errors in two areas: 1) in the calculation of interdepartmental billings for salaries and fringe benefits and 2) in the program income reported for several subcontractors.

We noted these errors in the Claim for Payment for the period 12/1/2015 to 12/31/2015. Instead of using the exact number of days in the claim period, the pay periods falling within the claim period were used. This caused the claim to be overstated by \$404.86

in salaries and \$291.27 in fringes. In addition, program income for this same period was overstated for two subcontractors by \$141 causing the grant to be out of balance.

WE RECOMMEND that a subsequent claim for payment in 2016 reflect an adjustment of \$837.13 for the overbilling. Further, **WE RECOMMEND** that the management of Senior Services takes the steps necessary to ensure that accuracy of the claims for payment.

2. Policies and Procedures

Senior Services has not documented their policies and procedures for all phases of their grant operation. The area of primary concern involves reimbursement vouchers which include: the preparation of entries for the reclassification of workers compensation and unemployment, the calculation of interdepartmental billings for salaries and fringe benefits, and documenting journal entries for reclassification and other adjustments. While some policies and procedures exist they are informal, undated, and contain no evidence that they have been reviewed by management.

Furthermore, many individuals are involved in preparation of various segments of these reimbursement vouchers and when combined with recent levels of employee turnover and a reduction of staff, many of these policies and procedures are communicated verbally which increases the risk of inconsistency and error.

WE RECOMMEND that management take the necessary steps to document the policies and procedures that reflect the current organizational structure for the Congregate Dining Program

AUDITOR'S COMMENTS

1. Monthly Time Studies

On January 15, 2015, SOFA issued a fiscal assessment report on the operations of Senior Services. They found that Senior Services was not complying with either the monthly time study requirements for split charged personnel (staff splitting their time between multiple programs) in accordance with OMB Circular A-87 nor with completing semi-annual certifications for those whose times is charged entirely to one program.

During the period of our audit, we found that the SOFA recommendation on monthly time studies and semi-annual certifications had not been implemented.

WE RECOMMEND that Senior Services take the necessary steps to address the SOFA recommendations with respect to completing monthly time studies for these split charged staff and semi-annual certifications for the non-split charged staff.

RESULTS OF THE EXIT CONFERENCE

On November 29, 2016, an exit conference was held with the Commissioner of Senior Services and members of his staff where the contents of the report were discussed. The auditee was in general agreement with our Findings and Recommendations. In accordance with the County's Audit Response System and Procedures, we request that Senior Services prepare a written response to the County Executive concerning this report by December 29, 2016. We further request that the County Executive forward copies of the written response to the Comptroller's Office, the Erie County Legislature and the Erie County Fiscal Stability Authority by January 13, 2017.

We would like to thank the Commissioner and his staff for their cooperation and the assistance afforded our staff during the course of the audit.

ERIE COUNTY COMPTROLLER'S OFFICE

cc: Timothy R. Hogues, Commissioner, Erie County Department of Senior Services
Hon. Mark C. Poloncarz, County Executive
Robert W. Keating, Director, Budget and Management
Erie County Fiscal Stability Authority

APPENDIX 1

Statement of Revenues and Expenditures
Congregate Dining Grant
For the Year Ended December 31, 2015

Revenues and other financing sources:

Federal Aid	\$ 1,209,991.33
Contributions - Participants	\$ 519,414.36
County Share Contribution	<u>\$ 143,920.89</u>
Total Revenues	<u><u>\$ 1,873,326.58</u></u>

Expenditures and other financing uses

Full Time - Salaries	\$ 389,526.05
Part Time - Wages	\$ 19,718.14
Shift Differential	\$ 10.09
Other Employee Payments	\$ 1,916.72
Fringe Benefits	\$ (26,379.28)
Employer FICA	\$ 28,312.77
Employer FICA - Medicare	\$ 6,621.52
Employee Health Insurance	\$ 108,282.47
Dental Plan	\$ 3,982.88
Workers' Compensation	\$ 2,398.18
Unemployment Insurance	\$ 1,028.19
Hosp & Med-Retirees'	\$ 62,281.92
Health Insurance Waiver	\$ 1,200.00
Retirement	\$ 79,242.88
Office Supplies	\$ 1,098.64
Food & Kitchen Supplies	\$ 2,863.76
Maintenance & Repair	\$ 138.00
Local Mileage Reimbursement	\$ 17,023.82
Out of Area Travel	\$ 1,242.11
Training and Education	\$ 315.00
Prof Services and Fees	\$ 75,279.15
Maintenance Contracts	\$ 200.00
Meals on Wheels for WNY	\$ 1,011,233.23
Salvation Army	\$ 16,384.83
Town of Amherst Senior Center	\$ 37,593.96
Other Expenses	\$ 2,003.22
Rental Charges	\$ 1,600.00
Lab & Technical Equipment	\$ 13,472.81
ID Senior Services Grant	\$ (9,515.48)
ID DISS Services	<u>\$ 24,251.00</u>
Total Expenditures	<u><u>\$ 1,873,326.58</u></u>